Alloy Steel Plant, Durgapur

6660. SHRI GHUFRAN AZAM: Will the Minister of STEEL be pleased to state:

(a) whether the Alloy Steel Plant, Durgapur has identified the areas of application of basic gunning materials for melting furnaces and likewise materials for ladles etc, in order to increase production output and to reduce the cost per tonne of steel;

(b) whether such materials are indegenously available or are imported;

(c) whether the machine and equipment for application of such above materials are also available within the country or are imported;

(d) whether it has been determined as to what extent the application of basic gunnitting materials or so has reduced the cost per tonne of steel and allied products; and

(e) if so, the details thereof?

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI SONTOSH MOHAN DEV): (a) Yes, Sir. ASP is using Basic Gunning Mass in Electric Arc Furnaces to increase productivity. Gunning Mass is not being used in Ladles.

(b) The materials are available within the country.

(c) Gunning Machines are imported, as indigenous machines are not available.

(d) and (e) The application of Basic Gunning Mass has increased the life of Electric Are Furnaces bottom. This has resulted in improved productivity of the furnace and has given an approximate saving of Rs. 100 per metric tonne of liquid steel.

Tender of 3rd Sinter Plant of Bhilai Steel Plant

6661. SHRI DIPANKAR MUKHERJEE:

SHRI NILOTPAL BASU:

Will the Minister of STEEL be pleased to state:

(a) whether in the recent Tender of 3rd Sinter Plant of Bhilai Steel Plant, patent of a particular foreign Company in one item (Diprail Circular Cooler) has been made obligatory, while it was only an option in the Tender Notice, due to which Heavy Engg. Corporation, Ranchi has been disqualified to quote, paving way for the foreign Company and its licencees of that patent to bag the contract;

(b) whether the project report of this plant was prepared based on design and technology of exactly same size plant built by HEC for V.S.P. and whether in October, 1993 Industry Ministry approached Steel Ministry to award this contract to HEC backed by the above Foreign Company on negotiated basis;

(c) whether the estimated cost, (when the proposal was moved to PIB to award the same to HEC) is much less than present estimate (when all contestants, including Foreign Companies have tied up with Indian private parties); and

(d) if so, the reasons for reverting back to the old proposal of ordering on HEC as requested by Ministry of Industry on negotiated basis which guarantees the same technical specifications?

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI SONTOSH MOHAN DEV): (a) Yes, Sir. Circular Technology being a proven and established technology in modern sinter plants all over the world, SAIL has decided to adopt it and the tender documents for the III Sinter Plant at Bhilai stipulated the Cooler specification based on circular cooling technology. The tenderers are free to obtain this technology from the owner or its licensees.

The earlier notice for pre-qualification of bidders for this project indicated that Diprail circular cooler/ straightline cooler would be a part of new sinter plant. SAIL has not prequalified M/s. HEC as a prime bidder on the ground that they have not built sinter plants on turnkey basis and keeping in view HEC's track record in various projects executed for SAIL. However, SAIL decided that M/s. HEC would be considered as an associate of M/s. Mitsui, Japan and/ or M/s. TPE, Russia.

(b) The project report was prepared keeping in view the state-of-art sintering technology and not based on VSP's sinter plant only.

It is a fact that the Ministry of Industry had proposed to the Ministry of Steel to award the contract for the project to M/s. HEC on negotiated basis. However, the Government while taking investment decision (for State-I clearance) in November 1993 decided to go for global tenders to get most competitive techno-commercial offer with latest state-of-art technology.

(c) There was no proposal before PIB to award the job to HEC. Further, the tendering process for the project is still on and price bids are yet to be firmed up. Hence, the question of the approved estimated cost being exceeded does not arise.

(d) Does not arise in view of the facts stated above.

BID by Heavy Engineering Corporation Ltd. for Revamping Hot Strip Mill

6662. SHRI DIPANKAR MUKHERJEE:
SHRIMATI CHANDRA KALA PANDEY:

Will the Minister of STEEL be pleased to state:

(a) whether in Bokaro Steel Plant, Heavy Engineering Corporation Limited, Ranchi alongwith NKMZ, Ukraine, the supplier of the Existing Hot Strip Mill plant, were not prequalified to bid for the project of revamping of the existing Hot Strip Mill (Rs. 550 crores project) if so, the reason for the elimination of HEC as a bidder;

(b) whether order for the continuous casting machine of BSL was not placed of HEC, eventhough HEC's price (Rs. 573.9 cr.) for the package of engineering Design|supply|Erection|Commissioning of Plants|Equipments|Spares is less than the price (Rs. 594.4 cr.) at which this main turn-key project has been ordered;

(c) whether to make HEC's price more, the price of consumables was loaded which was not as per original tender specifications and only after 2nd submission of price bid, tenderers were asked to submit the same; and

(d) whether the above is not indicative of total apathy of Steel Ministry of HEC which was set up to manufacture equipments for Steel Plants if so, the reaction taken to ensure justice to this sick PSU to ensure order the HEC from Steel Plants?

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI SONTOSH MOHAN DEV): (a) Yes, Sir. The reason for their elimination was that they did not offer the latest state-of-art technology in the said area.

(b) M|s. HEC failed to qualify as the L-1 bidder after techno commercial evaluation of the offers for the Continuous Casting Package of Bokaro Steel Plant modernisation (Stage-I). The order for this package was placed at Rs. 653.73 crores whereas M|s. HEC's evaluated offer was for Rs. 678.98 crores.

(c) No, Sir. The prices of consumables for six months (after commissioning) were to be quoted alongwith the offer. This was specified in the Notice Inviting Tenders (NIT).

(d) No, Sir. SAIL's decisions in respect of the aforesaid packages were guided by its assessment of the technological acceptability and commercial competitiveness of the competing offers as also past experience of the parties in executing such projects, and therefore Government did not see any reason to interfere.